GOVERNMENT OF INDIA
DEFENCE
LOK SABHA

STARRED QUESTION NO:437
ANSWERED ON:25.08.2005
PROCUREMENT OF RADIO SETS
Reddy Shri Karunakara G.

Will the Minister of DEFENCE be pleased to state:

(a) whether attention of the Government has been drawn to the news-item captioned "Radio sets worth crores rot in defence godowns" in the 'Deccan Herald' dated July 20, 2005;

(b) if so, the facts thereof;

(c) whether thousands of radio receiver sets procured by an agency of the Ministry of Defence have been rendered useless due to the poor quality accessories supplied by the foreign firm;

(d) if so, the details thereof;

(e) the loss suffered as a result thereof; and

(f) the action taken against those held responsible?

Answer

MINISTER OF DEFENCE (SHRI PRANAB MUKHERJEE)

(a) to (f): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (f) OF LOK SABHA STARRED QUESTION NO. 437 FOR 25.8.2005

A contract dated 18.12.2001 was signed with M/s Win Radio Communications, Australia, for supply of 180 numbers of HF/VHF/UHF Radio Receivers at a total cost of USD 1,618,800. The Radio Receivers were delivered in May, 2002. These have not become operational so far due to certain technical discrepancies/deficiencies observed at the stage of inspection by the Joint Receipt Inspection Board.

The Vendor has been paid for 80% value of the equipment supplied i.e. USD 1,295,040 as per the provisions of the contract. Besides, the Performance Bank Guarantee for USD 79,562.50 has already been encashed. There are contractual provisions for warranty and Annual Maintenance Contract for the supplies. Balance 20% payment amounting to USD 323,760 has not been released.